

# **PERFORMANCE REVIEW PROCESS**

**SERS Chief Investment Officer**



**Effective 01/01/2019**

## **EXPLANATION:**

Effective **performance management** involves setting performance expectations, monitoring progress, measuring results, appraising performance, mentoring as appropriate, and rewarding or correcting employee performance. Performance management is ongoing.

This is in contrast to an **employee performance review** (EPR). An EPR is a periodic work performance review of how much, how well, and the manner by which an employee performed duties and responsibilities during a specified evaluation period.

SERS' Chief Investment Officer (CIO) is one of the highest-level and most prominent positions within the agency. This position assists the Executive Director in establishing the agency culture and values and is responsible for the health of the SERS Fund. Therefore, it is critical that this position be subject to thorough and thoughtful performance management and critique.

This process provides guidance for the completion of the performance evaluation for this highly visible and critical position.

## **METHODOLOGY:**

SERS' board has authority to hire the Chief Investment Officer and has the responsibility to provide feedback on the Chief Investment Officer's performance to the Executive Director who supervises the individual in this position.

SERS has elected to use the Senior Management Service Performance Evaluation System evaluation form to evaluate performance for the Chief Investment Officer.

There are five specific factors on the evaluation form that focus on management competencies. The factors are:

- **Leadership** – measures commitment to excellence, development and implementation of strategic vision, ability to achieve results, and learning from successes and shortcomings
- **Planning** – measures excellence in strategic planning, change management, project planning and maximization of resources
- **Management** – measures the effectiveness of managing programs, operations, and human, financial, and technological resources
- **Interpersonal relations** – measures the ability to establish and maintain interpersonal relationships, effectiveness of communications, and degree of positive engagement with others
- **Results** – measures excellence in achievement and evaluation of organizational goals within established timeframes

Each of the five factors is rated using a five point scale:

- Far Exceeds Expectations
- Exceeds Expectations
- Meets Expectations
- Needs Improvement
- Unsatisfactory

The **Overall Rating** on the EPR form is a composite assessment of the employee's work performance and the factors contributing to the accomplishment of goals and success in expectations. Recognizing that

certain factors may be more important than others, each factor rating need not be of equal weight. Overall comments should justify the overall assessment of the employee's performance.

The **Summary of Employee's Strengths** should identify strong attributes, abilities, and proficiencies of the employee.

The **Summary of Opportunities for Employee Development** should identify areas where the employee should expand or increase his/her knowledge/skill or adjust behavior to address areas of concern or further develop for professional growth and/or success.

**PROCESS:**

The annual **rating cycle** for the Chief Investment Officer is the calendar year which runs January 1<sup>st</sup> through December 31<sup>st</sup>. The process outlined below focuses on the annual rating period. The Investment Committee serves a vital role in developing quantitative and qualitative goals to be incorporated into the Chief Investment Officer's performance expectations and in the annual evaluation process. There may be times when it is appropriate to issue an interim performance evaluation. Interim evaluations are at the discretion of the Executive Director, SERS' board Chairperson, and the Investment Committee Chair.

The SERS Human Resources Director is available to assist, as needed, with the execution of this process. The SERS Human Resources Director, as directed by the Executive Director, will make modifications and updates to this process.

The Chief Investment Officer performs work directly for SERS' board and it is important to have board member and Investment Committee input into the annual evaluation of this position. The Executive Director shall solicit performance feedback from the Investment Committee, board and board designees.

## Schedule of Action Items

November	December (rating cycle ends)	January (rating cycle begins)	June (mid-year report)	July (progress review)
<p>SERS-HR compiles information to be sent to the Executive Director <b>by December 1<sup>st</sup></b>.</p> <ul style="list-style-type: none"> <li>• Senior Management Service Performance Evaluation System form <ul style="list-style-type: none"> <li>○ Template</li> <li>○ Completed form from prior evaluation period</li> </ul> </li> <li>• Goals/Expectations <ul style="list-style-type: none"> <li>○ Template</li> <li>○ Goals/expectations from prior evaluation period</li> </ul> </li> <li>• SERS General Performance Standards</li> <li>• SERS Performance Evaluation Input form</li> </ul>	<p>Executive Director obtains performance feedback from appropriate parties.</p> <ul style="list-style-type: none"> <li>• Investment Committee</li> <li>• Board Members and Designees</li> </ul> <p>Executive Director solicits input on new qualitative and quantitative performance goals/expectations from the Investment Committee, Board Members and Designees.</p> <p>Goals/expectations should:</p> <ul style="list-style-type: none"> <li>• Align with agency policy, strategic plans, objectives, and priorities</li> <li>• Align with the rating categories on the Senior Management Service Performance Evaluation System form</li> </ul>	<p>Executive Director drafts the Senior Management Service Performance Evaluation System form and performance goals/expectations incorporating relevant feedback at his/her discretion.</p> <p>Investment Committee reviews the draft Senior Management Service Performance Evaluation System form and goals/expectations. Committee suggests modifications if appropriate.</p> <p>Executive Director and Investment Committee Chair meets with Chief Investment Officer <b>by January 31<sup>st</sup></b> to issue performance evaluation and goals/expectations. The Executive Director and Chief Investment Officer sign the Senior Management Service Performance Evaluation System form. If the Chief Investment Officer refuses to sign the form, the Executive Director makes note of such on the form.</p> <ul style="list-style-type: none"> <li>• Completed copies to SERS-HR for retention in official personnel file</li> <li>• Copies to Chief Investment Officer</li> <li>• Copies to Executive Director</li> <li>• Copies to Investment Committee Chair</li> </ul> <p><b>Note(s):</b> If the Executive Director and Investment Committee cannot resolve disagreements about the evaluation, the matter is escalated to the entire SERS Board for review and resolution.</p> <p>If a new Chief Investment Officer is hired during the rating cycle, the performance goals/expectations will be provided to the new Chief Investment Officer within the first month of employment.</p> <p>SERS Performance Evaluation Input forms are retained by the Executive Director and will be made available for review upon request.</p>	<p>SERS-HR emails reminder notice <b>by June 1<sup>st</sup></b> to Chief Investment Officer, Executive Director, and Investment Committee Chair informing them that <b>by June 30<sup>th</sup></b> the Chief Investment Officer is to provide a status report to the Executive Director and Investment Committee Chair on the status of goals/expectations.</p> <p>Chief Investment Officer provides the required mid-year report <b>by June 30<sup>th</sup></b>.</p>	<p>Executive Director and Investment Committee Chair meet with the Chief Investment Officer <b>by July 31<sup>st</sup></b> to discuss any performance issues identified as a result of the mid-year report.</p>

## Updates

07/22/2015	Board approved one combined policy for Executive Director and Chief Investment Officer Performance Review Process.
12/05/2018	Board approved stand-alone policy for Chief Investment Officer effective 01/01/2019.